
Environmental Finance Center Network

EXECUTIVE SUMMARY

This Executive Summary of the annual report that follows highlights the major accomplishments of the Environmental Finance Center (EFC) Network through 2003. The Network is a university-based technical assistance program offering educational resources and financial outreach services to communities and local governments and the small business community on the how to pay issues of compliance with environmental standards.

To date, the EFC Network comprises nine centers located in Federal Regions at the following universities: University of Southern Maine (Region 1), Syracuse University (Region 2), University of Maryland (Region 3), University of North Carolina at Chapel Hill (Region 4), University of Louisville (Region 4), Cleveland State University (Region 5), New Mexico Institute of Mining and Technology (Region 6), California State University at Hayward (Region 9), and Boise State University (Region 10). The EFCs operates as a national association to foster greater collaboration, enhance project opportunities, and encourage partnerships; as well as to clarify the role of the Environmental Finance Centers as a collaborative network.

Situated in the Office of Enterprise Technology and Innovation within the Office of the Chief Financial Officer, the Environmental Finance Program works with the EFC Network to set priorities and coordinate and plan activities. The financial outreach services of the Network focuses on identifying ways of building the state and local financial and managerial capacity necessary to carry out environmental programs and help create sustainable environmental systems in the public and private sectors as well as increasing private sector investment in environmental systems.

Each year since 1995 the Network has produced an annual report that documents the activities and the results achieved by the EFCs. These annual reports are available via the Office of the Chief Financial Officer's web site at <http://www.epa.gov/ocfo/index.htm> or directly on the Environmental Finance Program's website at <http://www.epa.gov/efinpage/efc.htm>. This website, and the comprehensive and innovative information contained within it, has become a highly effective means of communicating all aspects of the how-to-pay issues confronting the regulated community.



New England Environmental Finance Center at the University of Southern Maine - Region 1

Executive Summary

The EFC at the University of Southern Maine, housed in the Muskie School of Public Service, has a primary focus on land use and conservation issues (EPA Region 1). The purpose of the New England Environmental Finance Center (NE/EFC) is to advance the understanding and practice of “smart growth” throughout New England; in building local capacity to deal with related issues; and in developing and applying techniques that go “beyond compliance” with government regulations.

Among the 2003 accomplishments of the NE/EFC’s work program was a high-risk loan funding initiative to stimulate smart growth projects, a series of roundtable discussions among public and private officials dealing with conservation-development partnerships, creation and delivery of an ecology and design course module, planning, prepared and hosted the Governor’s conference on encouraging natural resource-based industries as a bulwark against sprawl and consumptive land use patterns that produced a series of papers for the state’s natural resource agencies, and an evaluation and report of the State of Maine’s open space acquisition and protection program, which will be presented for consideration in time for the convening of the state legislature in 2004.

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In addition, several bold initiatives will continue into 2004. *The Next Communities Initiative* is an example of the effective use and implementation of Smart Growth tools at the local government level. Through a series of workshops, the Initiative will train motivated community leaders to make smart growth-oriented development happen in their cities and towns with a goal to deliver the curriculum throughout the New England states.

Another continuing project is the standardization and availability of data from the GIS inventory of protected lands. The EFC will be creating a web portal as a means of collecting data on parcel status. The EFC will work with State agency staff to identify incentives that will elicit local data entry, determine initial and ongoing costs; ensure implementation of incentive programs; and to assure that data uptake and authorization is functioning throughout the six-state “virtual state.”



Syracuse University Environmental Finance Center - Region 2

Executive Summary

A key activity of the EFC is the *Public Management and Finance Program* (PMFP), which provides a forum for municipal professionals and leaders from EPA Region 2. PMFP forums enable communities to better understand the relationship environmental finance has with other areas of government business, particularly economic or community development. The alliances and collaboration among technical assistance providers has been very instrumental in removing the gaps in the delivery of technical assistance, although all partners of the PMFP are

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cognizant that the cumulative needs among communities exceed the resources available. Other services provided by the EFC during 2003 included assistance with rate setting assistance, facilitation of processes relative to environmental improvement, training events focused on environmental issues, and analyses of funding options.

The water and wastewater related activities of the EFC's PMFP have received additional support from the USDA over the past two years, with the bulk of activities involving municipal water and wastewater projects to facilitate the planning, financing, and implementation phases. In addition, the EFC targeted the smallest communities of New York State for training and capacity building initiatives. Another project includes source water activities that have led to interest from a private foundation to support building upon the work accomplished through EPA support. The Syracuse EFC also assisted the Onondaga Lake Partnership, which consists of six government agencies (including EPA) and numerous nonprofit organizations. The assistance involved facilitating a particular decision-making process relative to carrying out the plans to clean up heavily polluted Onondaga Lake.

Among other accomplishments, the EFC held Technical Assistance Partnership Forums to maximize resources available for small communities; stakeholder outreach and education for communities pursuing water and wastewater projects; and PMFP customized training for small communities in the areas of public finance, capital planning and budgeting, rate setting, asset management, environmental conflict management and resolution, project financing procedures and regulations; and the introduction of new technologies.



University of Maryland Environmental Finance Center - Region 3

Executive Summary

The Environmental Finance Center at the University of Maryland, draws from a wide range of expertise including scientists, planners, engineers, citizen advocates, business professional and local government representatives. The EFC promotes ways to manage the cost of environmental activities through technical assistance, training and curriculum development, and outreach activities such as workshops, charrettes and conferences.

Technical assistance is an important element of the EFC's accomplishments for 2003. Among the EFC's activities was a smart growth initiative to assist local governments on Maryland's Eastern Shore address increased development pressure as a result of population growth in the region. Another venture is the Anacostia River project to discuss how the restoration and protection of the Anacostia could be made profitable for businesses. In the area of watershed financing, the EFC customized its *Financing Watershed Strategies* workshop to respond to the needs each local jurisdiction in developing an individualized financing plan. Also, noting that the market for nutrient trading is a largely untapped opportunity, the EFC hosted a two-day workshop that outlined the barriers to establishing a nutrient trading market in the Potomac watershed and determine how those barriers can be overcome. Over 35 people from around the watershed and as far away as New Mexico and Missouri, came to the workshop, which produced several concrete recommendations and next steps. Other watershed projects included the Chesapeake Watershed dialogues to foster local watershed management in the Chesapeake Bay basin, and assisting a Blue Ribbon Panel commissioned by the Governors of Maryland, Virginia and Pennsylvania to explore financing options for reducing nutrient and sediment inputs to the Chesapeake Bay.

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Training is another key function of the EFC's activities. The EFC Training Coordinator conducted numerous on-site training sessions throughout the Region covering such subjects as capital improvements planning, financial and general system management for small systems, rate setting and cost recovery, and asset management. In addition, the EFC's communication and outreach services included the planning and development of many training conferences that attracted not only audiences from Region 3, but offered valuable training to participants from other regions as well.



University of North Carolina at Chapel Hill Environmental Finance Center - Region 4

Executive Summary

The Environmental Finance Center at the University of North Carolina at Chapel Hill (UNC EFC) works with local communities and government agencies throughout EPA's region 4 to address environmental management challenges by developing innovative financial management and environmental policy strategies and systems.

The EFC's work in the delivery of interactive applied training programs and technical assistance to local communities is among its major accomplishments for 2003. Some training workshop subjects include: management of on-site wastewater treatment systems to enable local governments to manage and finance these systems; a water and wastewater capital finance course for local government utility, management, and finance officials; development and delivery of a water and wastewater utility finance training module, design and implementation of a water and wastewater rate setting workshop for utility professionals; financial management seminars for utility managers; hosted an intensive one-day workshop for solid waste managers and attorneys from across North Carolina; delivery of an EPA-sponsored workshop on financial management to a group of technical assistance providers from Regions 4 and 6; presentation on water management financial issues to a group of community development professionals; and development and integration of environmental management concepts into UNC School of Government's financial management training for the hundreds of local government finance and budgeting professionals that take these courses annually.

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In addition to training, the EFC devoted a significant amount of resources in 2003 to providing direct technical assistance to practitioners throughout the Southeast. Another key area of involvement for the EFC has been its work to assess and improve the effectiveness of environmental finance policies at a regional or state level. Among these policy efforts was a drinking water and sewer infrastructure needs assessment for the Appalachian Regional Commission (ARC); information on the costs and financing strategies for land conservation for the North Carolina General Assembly's Environmental Review Commission; development of collaborative strategies for land trust networks; expanding and developing financing systems for land conservation efforts in North Carolina; inventory and assessment of DWSRF loan programs for disadvantaged communities; and review and development of options for addressing agricultural waste disposal challenges.

UofL University of Louisville Environmental Finance Center - Region 4

Executive Summary

The Louisville EFC broadened its training and technical assistance services relating to brownfield regeneration and planning for more environmentally and economically efficient market-driven human settlements in 2003. In addition to expanding its Practice Guides series of briefing papers for local officials and citizen volunteer committee members, the Center again staffed a booth providing information on the economics of brownfield cleanup and redevelopment at the annual EPA *Brownfields 2003* conference, in Portland, Oregon, November of 2003.

The Louisville EFC also expanded the provision for direct technical assistance with respect to contaminated land revitalization, working with a number of different cities on brownfield redevelopment, with smart growth planning for area development agencies, and with the Environmental Justice

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Demonstration Project in Spartanburg, South Carolina. The focus was on financial planning and prioritization to maximize private investment potential and reduce the need for public funds and donations; and with Region 4 RCRA specialists on ways of providing greater certainty over firms' financial capacity to remediate after completing ongoing operations. These expanded applications of the EFC's contaminated land expertise are reflected in our new Working Papers, other staff publications, conference presentations, and conduct of related research and technical assistance projects.

The Louisville EFC's Practice Guide series is focused on aspects of land use planning and information system development for promotion of urban infill, brownfield redevelopment and other aspects of smarter urban growth. The Center has also provided training and technical assistance through a range of other publications and presentations. Publications span professional journals, trade press and academic outlets, since all influence policy discussions and can contribute to more effective and cost-efficient environmental finance practice.

New initiatives include planning for the *International Conference on Local Sustainable Development Efforts* 6th International Symposium of the International Urban Planning and the Environment Association (IUPEA), which was initiated by the EFC in 2003. The Symposium will be held in Louisville, September, 4-8, 2004, with the overall theme of *Global Pressures on Local Autonomy: Challenges to Urban Planning for Sustainability and Development*.



Cleveland State University Great Lakes Environmental Finance Center - Region 5

Executive Summary

The Great Lakes Environmental Finance Center (GLEFC) assists communities and public, private, and non-profit sector entities in the Great Lakes states of Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin build innovative, cost effective, and high quality strategies for environmental improvement and sustainable economic development.

The GLEFC is housed within the Maxine Goodman Levin College of Urban Affairs at Cleveland State University to provide technical assistance and training in environmental financing for state and local governments, as well as public, private, and non-profit organizations in the Region 5 states.

The EFC assists these entities in solving financial problems related to environmental facilities and resources. Services include financial and economic analysis and strategies; policy analysis and planning; brownfields community advisory services; study and information services; and training seminars and conferences. The GLEFC utilizes many tools to assist clients, including financial and budget analysis, market and impact analysis, best practice reviews, training seminars and conferences, focus groups and community visioning/strategic planning processes, and environmental planning and program evaluation.

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The GLEFC portfolio of ventures included several new projects, ongoing partnership enterprises that will continue indefinitely, and second and third phases of externally funded projects. The GLEFC provided technical assistance, applied innovative technology, seminars, training, counsel, and testimony to local, state, federal; and not-for-profit organizations and clients throughout Region 5. The GLEFC continues to provide support to the Federal Executive Board of Northeast Ohio in facilitating an intergovernmental (federal, state, and local) collaboration on brownfield finance and redevelopment, now on a state-wide basis. The GLEFC is working with EPA's Region 5 Brownfields Office to assist in initiating regional brownfield collaboration. In addition, the GLEFC is working on a broad array of environmental public policy initiatives that are externally funded, multi-stage, and multi-client projects with the Ohio Department of Natural Resources, the National Oceanic and Atmospheric Administration (NOAA), and the National Estuarine Research.



Environmental Finance Center - Region 6

Executive Summary

The Environmental Finance Center serving EPA Region 6 (NM EFC) formally completed its transfer from the University of New Mexico to the New Mexico Institute of Mining and Technology (New Mexico Tech) in June of 2003. The New Mexico EFC (NM EFC) believes this change will open up additional opportunities for its clients and will increase the overall support for the center.

The NM EFC is dedicated to helping state, local, and tribal governments meet environmental infrastructure needs and regulatory compliance through state and local capacity building. Capacity building includes enhancing technical, managerial, and financial capabilities to achieve consistent and sustainable regulatory compliance and to develop sustainable infrastructure. The

NM EFC assists in local capacity building by: examining alternative approaches to meeting regulatory compliance or environmental infrastructure needs; empowering communities to act as the “drivers” for their own projects; assisting with procuring professional services; presenting funding alternatives; acting as a bridge between federal, state, local and tribal governments; presenting neutral analyses of issues or projects; and gathering stakeholder input.

The Environmental Finance Center serving EPA Region 6 (NM EFC) formally completed its transfer to the New Mexico Institute of Mining and Technology (New Mexico Tech) in June of 2003.

To complete its projects, the UNM EFC relies on many tools and techniques, including: stakeholder meeting facilitation; internal agency workgroup facilitation; advisory group development; financing alternatives presentation and directories; technology transfer; charrettes, conferences and workshops; research publications and reports; and one-on-one assistance to state, local, and tribal governments and environmental service providers (e.g., water and wastewater systems.). The NM EFC attends many conferences, trainings and workshops as a participant, exhibitor, and presenter to gather information to share with its clients and to disseminate information regarding NM EFC projects that could be of interest and benefit to other entities.

The NM EFC has been very active over the past year and has completed numerous projects, including: capacity development activities for Region 6 states; capacity development for Tribal water systems; assistance to New Mexico SRF applicants; resource-based or unified source water protection project; Tribal Operator Certification Institute; independent analysis of hydroscope technology for the City of Albuquerque, NM; Resource Geographic Information System Program; purchase of the town of Playas, NM; and Multiple Barrier Evaluation Training for U.S. Forest Service.



California State University, Hayward Environmental Finance Center - Region 9

Executive Summary

The Environmental Finance Center located in Region 9 at California State University (EFC9) is a university-based EFC working for greener communities through cleaner business, by advancing the environmental industry and promoting pollution prevention and source reduction. Our mission is four-pronged: to help entrepreneurs develop and finance new and innovative environmental technologies; to encourage small business to adopt source reduction and pollution prevention in the manufacturing processes; to educate and encourage consumers to choose green business and green business products, and to help federal, state and local governments establish the necessary tools to foster cleaner business. To that end, working with both the private and public sectors, EFC9 pursues its mission through numerous tools including: Green business development; environmental business incubation; finance programs & directories; industry surveys & guides; technology transfer; charrettes, conferences and workshops; research publications and reports, and hands-on assistance to small business.

The Region 9 EFC at California State University (EFC9) works for greener communities through cleaner business, by advancing the environmental industry and promoting pollution prevention and source reduction.

Throughout the past year EFC9 has undertaken six new and one ongoing initiative working with both the private and public sectors. As a result, much of the work in 2003 laid the groundwork for project results and events in 2004. Those projects include: brominated flame retardants and foam furniture and mattresses; Western States Green Business Program (GBP) coordination, a voluntary program in which the GBP certifies applicants who comply with federal, state and local environmental regulations; business and environment in Hawaii, focusing on hotels with an emphasis on waste reduction and water conservation; environmentally beneficial behavior in television by adopting the private sector concept of “product placement” to place environmentally beneficial behavior (EBB) in television shows; assistance to environmental businesses; Phoenix Arizona brickyard charrette; and the Western Regional Pollution Prevention Network Conference workshop and sessions.

Among new initiatives for the EFC is a partnership with the Western Regional Pollution Prevention Network, to begin an effort to introduce pollution prevention and green business principles to Tribal governments throughout the region.



Boise State University Environmental Finance Center - Region 10

Executive Summary

The primary focus of the Environmental Finance Center at Boise State University (EFC10) is the development of broadly applicable, practical tools that improve the efficiency and effectiveness of environmental systems in meeting the challenges of protecting the environment and public health. The EFC creates computer-based techniques that provide important information for decision makers to use in financing environmental systems.

Among the EFC's accomplishments for 2003 was a focus on watershed financing activities such as: numerous watershed funding workshops in Oregon, Washington State and Alaska. Also facilitated a Charrette to coordinate the various EPA program staff and identify how different programs can better

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work together to leverage resources and maximize benefits to watershed stakeholders; created an on-line, searchable Directory of Watershed Resources for watershed restoration funding; worked to extend the function of the database for use in Region 4; developed *Plan2Fund*, a database model that walks users through the process of estimating the costs of their Watershed Program Plan's goals and objectives. Additional accomplishments included collaborating with the EFCs at the Universities of New Mexico, North Carolina, Syracuse and Maryland on a project related to source water protection project funded by EPA; drafted a Drinking Water Protection Plan for the three Oregon communities; and creation of an informal group in Idaho that meets to share information on source water protection issues and efforts.

As the demand for information on funding resources and financing tools has increased, EFC10 is often contacted by agencies and organizations that would like them to participate in conferences, meetings and various watershed events. To name a few of these events, EFC10 participated in a pilot project to assist the City of Ho Chi Minh in devising new strategies and methods for working collaboratively with the community, citizens, environmental groups and business leaders to leverage community pressure and market forces to meet environmental challenges. In another event, EFC10 participated in the "Funding for Watershed Restoration" satellite program presented by Washington State University. The two-hour program was broadcast via satellite and Internet on November 18th, 2003. Also during 2003, the Center released the first issue of *The Watershed News*, a quarterly newsletter for watershed stakeholders within Region 10 designed to provide watershed stakeholders with information and resources to assist in finding innovative ways to pay for watershed protection.